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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
RHMFIUU/COMSIXTHFLT PRIORITY

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SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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1. Mideast
2. Russian Parliamentary Elections

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Key stories in the media:  
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Major media (banners in Ha'aretz and the Jerusalem Post) reported

that on Sunday Labor Party Chairman and Defense Minister Ehud Barak proposed at the weekly cabinet meeting compensation for settlers living east of the separation barrier if they voluntarily leave their homes. Ha'aretz quoted officials in Barak's office as saying that the move was the beginning of a long process. Sources in the Prime Minister's Office, however, were quoted as saying that there is no plan to discuss the proposal in the near future. Also citing the proposed plan, Maariv quoted the Yesha Council of Jewish Settlements in the Territories as saying that it will not sell its loyalty to the Land of Israel in exchange for money.

Ha'aretz reported that on Sunday the cabinet approved the statement read by President Bush at the Annapolis conference. While the Shas ministers voted against the statement, Yisrael Beiteinu leader Avigdor Lieberman left before the vote was taken. The Jerusalem Post reported that PM Ehud Olmert and FM Tzipi Livni told the cabinet that there was no Israeli commitment to a timetable. On Sunday Ha'aretz reported that the U.S. has withdrawn a UN Security Council draft resolution endorsing the Israeli-Palestinian Annapolis joint declaration following Israeli objections. The move came just a few hours before the Security Council was to vote on the resolution. Riyad Mansour, Permanent Observer for Palestine to the UN, also objected to the U.S. resolution, on the grounds that some of its articles did not fully express the PA's position. Over the weekend the media reported that during his visit to Arab countries, PA Chairman [President] Mahmoud Abbas took pride in the achievements that were made in the course of the Annapolis conference, but that he continued to reject Israel's "red lines," including its demand to be recognized as a Jewish state.

Major media reported that Israel released 429 Palestinian prisoners today. Major media reported that the Knesset's Interior Committee visited jailed Fatah leader Marwan Barghouti. Media quoted him as saying that most of the released prisoners would have been freed in a matter of months. Media reported that Barghouti told Knesset Member Moshe Gafni (United Torah Judaism) that the end of the conflict is at hand, and that a courageous leader is needed to sign an agreement. Barghouti reportedly added that if a permanent-status agreement is reached, the Gazans, too, will accept a solution of two states for two peoples. Yediot quoted former Labor Party leader Amir Peretz, who also visited Barghouti in prison, as saying that Israel should talk to Hamas and release Barghouti.

Leading media reported that the IDF has arrested two Palestinians for the murder of settler Ido Zoldan ten days ago in the West Bank. Israel Radio reported that a third Palestinian was arrested by PA forces. All three are members of the Palestinian security forces. The media also reported that a dozen of Palestinians were killed in clashes with the IDF over the weekend. Major media reported that 20 mortar shells have been fired at Israel from the Gaza Strip in the last 24 hours. Leading media reported that the defense establishment is considering the installation of underground sensors along the Gaza border fence to thwart the increasing number of attempts by Palestinian terrorists to infiltrate into Israel. On Sunday Yediot reported that Israel has stepped up its use of technological and special intelligence means at its sea and airports as well as at the land border crossings to expose any attempt to smuggle radioactive substances into Israel.

On Sunday The Jerusalem Post reported that the U.S. has not publicly clarified its position on construction in major settlement blocs despite promises to monitor and judge the legitimacy of such activity following last week's Annapolis conference.

Leading media reported that on Friday the High Court of Justice ruled that cutbacks in fuel supplies to the Gaza Strip can continue, but electricity cuts must be delayed.

On Sunday Maariv quoted a senior associate of PM Olmert as saying that he is not expected to approve a wide-scale military operation in Gaza until after the publication of the final Winograd Commission report. Today Maariv reported that an internal paper written by Foreign Ministry officials concludes that Israeli restrictions along with the fighting by moderate forces in the PA, is having a detrimental effect on the Hamas government. According to the Foreign Ministry paper, "As time passes and with sustained pressure on Gaza, it may be assumed that the Hamas leadership will begin to realize that a new division of governmental powers is necessary."

The paper includes a comprehensive analysis of the damage to the Palestinian economy in the wake of Israel's restrictions, and according to the bottom line, if the sanctions continue, this will lead to Hamas's descent from power in favor of Fatah.

Ha'aretz reported that on Sunday Israel approved the departure from Gaza of 199 Palestinians residing, working, or studying in Arab countries.

Maariv cited the admission of senior GOI sources that Russia's efforts facilitated Deputy Syrian FM Faisal Mekdad's participation in Annapolis. Maariv reported that in the next few weeks Israel and the U.S. will discuss with Russia the follow-up to Annapolis, which is expected to be a conference in Moscow. Maariv reported that whereas Moscow is interested in holding a separate session dealing with Israel-Syrian issues, Jerusalem prefers a broader "regional peace in the Middle East" context. Labor MK Danny Yatom told Israel Radio on Saturday that Israel should drop its preconditions and immediately resume peace with Syria.

The Jerusalem Post reported that on Sunday PM Olmert and FM Livni met with visiting South Korean FM Son Ming-soon. Livni was quoted as saying that the "international community is concentrating efforts to sever commercial and financial relations with Iran, to increase pressure on that country, and we must not allow Iran to evade these significant actions by presenting Asia alternatives. When Europe takes action against Iran, Iran turns to Asia. It is extremely important for Asian countries to avoid the creation of alternative relations with Iran, especially at this crucial point." The newspaper said that Olmert stressed the importance of economic sanctions against Iran but did not raise the North Korean-Syrian connection. The Jerusalem Post reported that the Foreign Ministry issued a statement alluding to North Korea's nuclear program and the proliferation of elements of that program in countries in the Middle East. On Sunday Ha'aretz cited a new study stating that Israel and the U.S. should begin an intensive dialogue on ways to deal with Iran's nuclear plans and should study ways to attack Iran's nuclear facilities. Chuck Freilich, a former deputy head of the U.S. National Security Council, authored the report, "Speaking about the Unspeakable."

On Sunday Maariv reported on the standing security preparedness of embassies located in Tel Aviv, in particular the American Embassy.

The Jerusalem Post reported that on Sunday allies of Labor leader Ehud Barak presented a plan to the party's house committee according to which every Labor Party chairman would be guaranteed four years in office.

The Jerusalem Post quoted Elbit System Ltd., Israel's biggest nongovernmental defense company, as saying it won a contract to supply the U.S. Navy with fuel tanks for planes. The company was quoted as saying that the initial contract is valued at \$2.4 million, and that the total value is estimated at approximately \$60 million.

Maariv reported that this week India will test-fire an antimissile defense system or long-range tracking radar (LRTR) whose command and control network was made in Israel.

Leading media reported that Meretz MK Haim Oron is expected to compete for his party's leadership. Avshalom Vilan is the only Meretz MK who will not run in the party's primary in March.

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1. Mideast:  
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Summary:  
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Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz: "Now, the Defense Minister also has something to offer to the peace camp."

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv: "It is inconceivable that an Israeli government adopt and implement a total building freeze in the settlements so long as there is neither agreement nor any guarantee that one will be achieved."

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post: "The important thing is for the Bush administration not to believe its own propaganda." Maj. Gen. (ret.) Giora Eiland, former director of Israel's National Security Council, wrote in the mass-circulation, pluralist Yediot Aharonot: "Israel and this hostile entity [the Hamas government in the Gaza Strip] can regulate their relations."

Block Quotes:

#### I. "Barak Coos Like Dove"

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (12/3): "Defense Minister Ehud Barak came back from the Annapolis conference and discovered that Prime Minister Ehud Olmert had taken his place as the head of Israel's peace camp while he was busy expressing his doubts and reservations about the renewal of talks with the Palestinians.... But Barak knows how to learn quickly, and during Sunday's cabinet meeting he announced his support for the 'evacuation-compensation' package for those settlers who willingly leave their homes in the West Bank, and seek new lives inside the Green Line.... This is not a new idea, and Barak's leading supporters on the diplomatic front were actually his political rivals: Haim Ramon, Amir Peretz and Ami Ayalon. The responses he enjoyed were positive, and they also came from the senior ranks of the U.S. administration. Barak's albeit belated decision favors a very logical political reality: If the state would like to signal its intention to pack up the settlements, but is concerned about a possible clash with the right involving force, this is a way of mitigating the problem by paying compensation to all those who are willing to leave of their own accord.... Now, the Defense Minister also has something to offer to the peace camp."

#### II. "Annapolis Has a Chance"

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv (12/3): "Every day that passes without an agreement is a day on which new facts are created in a settlement or an outpost. It is a day in which another nail is hammered into the coffin of the two-state idea. On the other hand, it is inconceivable that an Israeli government adopt and implement a total building freeze in the settlements so long as there is neither agreement nor any guarantee that one will be achieved. The solution which I offer is to embark on secret negotiations and to reach agreement on permanent borders. And from that moment on, the Israeli government will enforce a strict policy according to which construction will be permitted only in territory west of the agreed border. On the other side the freeze will be absolute, all the outposts will be removed, the location of the separation fence will be adjusted (if this be necessary), and a generous law will be enacted for the compensation of every settler who finds himself on the wrong side of the new line and wishes to leave."

#### III. "Annapolis: One Cheer, One Yawn, One Cynical Shrug"

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post (12/3): "Peace Brokers believe their effectiveness requires a dishonesty that ensures their own failure. They pretend intransigence, terrorism, and incitement comes from both parties.... Israel can talk about all the concessions it would make if it really had a sincere, determined partner ready to reciprocate, knowing that this scenario will not happen. The important thing is for the Bush administration not to believe its own propaganda. If it makes this mistake, and tries to pressure Israel and appease the Arab side into a negotiated

settlement -- which will not materialize in the end -- that would make things worse. But I don't think that is going to happen to any considerable extent either. What is needed might best be called constructive cynicism."

#### IV. "Talk to Hamas"

Maj. Gen. (ret.) Giora Eiland, former director of Israel's National Security Council, wrote in the mass-circulation, pluralist Yediot Aharonot (12/2): "Israel and this hostile entity [the Hamas government in the Gaza Strip] can regulate their relations. This regulation will involve a mutual end to hostilities, supervision over Philadelphia Road and a prisoner exchange. As long as those understandings are honored, Israel will lift the economic siege from Gaza. The chances of reaching such a regulation of relations depends on the alternative that Hamas sees. If Hamas, as a political entity, fails to stop the rocket fire at Israel, it will then be correct to use full force against its 'state.' This will include a complete cut of the supply of electricity, fuel and gas, the destruction of government institutions, the targeted killing of leaders and so forth. When Hamas sees that it has two alternatives: de facto recognition of its government in tandem with lifted military and economic pressure, as opposed to an alternative of destroyed infrastructure, attacks on the leadership and a real economic crisis, it is safe to assume that it will make the 'right' decision. The Gaza Strip is, de facto, more of a state than anything else. It is not occupied territory, it is not territory under international auspices and it is not part of another state. We ought to capitalize on this situation..... The continued pursuit of current Israeli policy will lead sooner or later to a large-scale military operation to conquer Gaza. It is better to create effective deterrence than to launch an operation of that sort. Effective deterrence can be obtained only if you have a counterpart who bears responsibility and has what to lose. And what about the legitimacy of Hamas's rule in Gaza? That is an internal Palestinian affair, and we mustn't meddle."

#### 12. Russian Parliamentary Elections:

##### Summary:

The conservative, independent Jerusalem Post editorialized: "You cannot be both inside and outside, benefiting from membership in the West while aiding the West's sworn enemies."

##### Block Quotes:

##### "Membership Carries Responsibilities"

The conservative, independent Jerusalem Post editorialized (12/3): "The results of Sunday's parliamentary voting in Russia were hardly surprising, because rigged elections are never surprising.... It is no coincidence that the steady loss of freedom in Russia has also been accompanied by an increasingly anti-Western foreign policy.... Russia's official stance ... is to block tough economic sanctions and strongly oppose military action, while providing Iran with nuclear fuel and air defenses. Though Putin claims to be opposed to letting Iran obtain the bomb, it is hard to see how he could be more central to ensuring precisely such an outcome.... If Putin does not obviously to be in the West's most elite club [the G-8] from either a GOP or democratic perspective, and is actively opposing the West's premier security interests, why should Russia be included?.... The idea that including Russia in the West's political-economic system would accelerate positive reform seems to have been premature. The West needs to send a clear message to Russia: We want you to be part of us, but you cannot be both inside and outside, benefiting from membership in the West while aiding the West's sworn enemies: 'Membership has its privileges,' as the American Express slogan goes, but it also has responsibilities."

MORENO